

1974 Bill 47

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Third Session, 17th Legislature, 23 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

**BILL 47**

**The Oil Sands Technology and Research Authority Act**

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THE MINISTER OF MINES AND MINERALS

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First Reading .....

Second Reading .....

Third Reading .....

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Printed by L. S. WALL, Queen's Printer for the Province of Alberta, EDMONTON

# BILL 47

1974

## THE OIL SANDS TECHNOLOGY AND RESEARCH AUTHORITY ACT

(Assented to \_\_\_\_\_, 1974)

**H**ER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

**1.** In this Act,

- (a) "Authority" means the Alberta Oil Sands Technology and Research Authority;
- (b) "crude bitumen" means a naturally occurring viscous mixture, mainly of hydrocarbons heavier than pentane, that may contain sulphur compounds, and that in its naturally occurring viscous state is not recoverable at a commercial rate through a well;
- (c) "Fund" means the Oil Sands Technology and Research Fund;
- (d) "Minister" means the Minister of Mines and Minerals;
- (e) "oil sands" means sands and other rock materials which contain crude bitumen and includes all other mineral substances in association therewith;
- (f) "oil sands deposit" means a natural reservoir containing or appearing to contain an accumulation of oil sands separated or appearing to be separated from any other such accumulation;
- (g) "oil sands product" means any product derived from oil sands and includes crude bitumen and residue sand;
- (h) "research project" means a project that is entirely or primarily devoted to conducting research in relation to any matter pertaining to this Act;
- (i) "synthetic crude oil" means a mixture, mainly of pentanes and heavier hydrocarbons, that may contain sulphur compounds, that is derived from crude bitumen and that is liquid at the conditions under which its volume is measured or estimated, and includes all other hydrocarbon mixtures so derived.

## **Explanatory Notes**

### **General.**

This Bill will implement the project announced by the Government of Alberta on January 14, 1974 to achieve the breakthrough in research and technology that is essential to ensure production of synthetic crude oil from all of Alberta's oil sands, particularly that part that cannot be recovered through a surface mining process, by establishing the Alberta Oil Sands Technology and Research Authority to administer a program of encouraging oil sands oriented research through grants or other payments or loans or guarantees from an Oil Sands Technology and Research Fund set aside for that purpose.

### **I. Definitions.**

## **PART 1**

### **PURPOSES OF ACT**

- 2.** The purposes of this Act are to provide means whereby
- (a) research into the technological methods required for the efficient and economic recovery and processing of crude bitumen and other oil sands products from oil sands deposits in Alberta may be assisted, encouraged and promoted,
  - (b) research into the technological methods required to ensure an acceptable quality of the environment during and after such recovery and processing operations may be assisted, encouraged and promoted,
  - (c) the compilation, assessment and dissemination of present and future technological information relating to the exploration for, recovery and processing of oil sands products, environmental conservation in connection with such recovery and processing operations, and the production and transportation of synthetic crude oil and other oil sands products from oil sands deposits in Alberta, may be achieved,
  - (d) co-operation among the Government of Alberta, industry, universities and other institutions or agencies in respect of matters under this Act may be established, furthered and maintained, and
  - (e) technological problems impeding the development of production capacity to meet the demand for synthetic crude oil may be solved or alleviated.

**2. Purposes of the Act.**

**PART 2**

**THE ALBERTA OIL SANDS TECHNOLOGY AND RESEARCH  
AUTHORITY**

**Organization and Constitution**

**3.** (1) There is hereby created a corporation with the name "Alberta Oil Sands Technology and Research Authority" which shall consist of not less than three and not more than seven members appointed by the Lieutenant Governor in Council.

(2) The Lieutenant Governor in Council

- (a) shall designate one of the members of the Authority as chairman and another as vice-chairman;
- (b) may prescribe the term of office of any member or the term of office of the chairman or vice-chairman;
- (c) shall prescribe the rates of remuneration to be paid by the Authority to the members of the Authority.

(3) The members of the Authority shall be paid by the Authority their reasonable travelling and living expenses while absent from their ordinary place of residence and in the course of their duties as members of the Authority, in accordance with the by-laws of the Authority.

(4) The vice-chairman of the Authority shall exercise and perform the powers and duties of the chairman in the event of the absence or inability to act of the chairman or a vacancy in the office of the chairman.

**4.** (1) The Lieutenant Governor in Council may from time to time nominate one or more persons from among whom acting members of the Authority may be selected.

(2) When in his opinion it is necessary or desirable for the proper and expeditious performance of the Authority's duties, the chairman may name a person nominated under subsection (1) as an acting member for a period of time, during any circumstances or for the purpose of any matter before the Authority.

(3) An acting member has, during the period, under the circumstances or for the purpose for which he is named an acting member, all the powers of and may perform all duties of a member of the Authority.

**5.** (1) Subject to subsection (2), a quorum at a meeting of the Authority shall be a number equal to a majority of the members then holding office under section 3, subsection (1).

**3. Incorporation of Alberta Oil Sands Technology and Research Authority.**

**4. Alternate members nominated by Lieutenant Governor in Council.**

**5. Authority meetings.**

(2) Where one or more vacancies occur in the membership of the Authority, the remaining members or member, as the case may be, may exercise all the powers of the Authority.

(3) At its meetings, the Authority may exercise any of its powers by resolution except where some other mode of exercising the power is prescribed in this or any other Act.

**6.**(1) The head office of the Authority shall be at such place in Alberta as may be designated by the Lieutenant Governor in Council.

(2) The Authority may establish such other offices and agencies as it considers expedient.

**7.** (1) The Authority may make by-laws respecting the calling of meetings of the Authority and the conduct of business thereat, the duties and conduct of members of the Authority and generally as to the conduct of the business and affairs of the Authority.

(2) *The Regulations Act* does not apply to by-laws of the Authority.

**8.** The Authority may

- (a) appoint such officers and employees as it considers necessary and prescribe their duties and their salaries or remuneration;
- (b) engage the services of any agents or advisers or persons providing technical or professional services of a kind required by the Authority in connection with its business and affairs.

**9.** (1) Subject to any order of the Lieutenant Governor in Council under *The Public Service Management Pension Act*, *The Public Service Pension Act* applies, with all necessary modifications, to the members and employees of the Authority.

(2) The Authority shall pay to the Provincial Treasurer for deposit in the General Revenue Fund the contributions required to be made under section 5 of *The Public Service Pension Act* or section 5 of *The Public Service Management Pension Act*, as the case may be, together with an equal amount from the funds of the Authority as its contribution.

**10.** (1) The Authority is for all purposes an agent of the Crown in right of Alberta and its powers may be exercised only as an agent of the Crown in right of Alberta.



**6. Offices.**

**7. By-laws.**

**8. Officers and employees.**

**9. Pensions.**

**10. Authority as Crown agent.**

(2) An action or other legal proceeding in respect of any right or obligation acquired or incurred by the Authority on behalf of the Crown in right of Alberta, whether in its name or in the name of the Crown in right of Alberta, may be brought or taken by or against the Authority in the name of the Authority, in any court that would have jurisdiction if the Authority were not an agent of the Crown.

#### **Financial**

**11.** The fiscal year of the Authority shall end on March 31st of each year, unless otherwise prescribed by the Lieutenant Governor in Council.

**12.** The Authority is subject in respect of its accounts and financial transactions to audit by the Provincial Auditor from time to time and at least once every year.

**13.** (1) All expenditures of the Authority, except those expenditures that are required to be paid from the Fund, shall be paid from moneys appropriated by the Legislature for the purposes of this Act.

(2) The Provincial Treasurer shall pay to the Authority the funds provided by appropriation in each year and referred to in subsection (1) in equal monthly instalments unless otherwise agreed between the Provincial Treasurer and the Authority.

#### **General Powers and Duties**

**14.** The Authority is, in the exercise and performance of its powers and duties under this or any other Act, subject to the general supervision and direction of the Minister.

**15.** The Authority may, with the approval of the Lieutenant Governor in Council, enter into agreements relating to any matter pertaining to this Act with the Government of Canada, the government of any province or territory of Canada or an agency of any of those governments.

**16.** (1) The Authority, in addition to the powers conferred on it by this or any other Act and the powers vested in it by *The Interpretation Act*, has the power

- (a) to acquire any real or personal property by gift, bequest or devise;
- (b) to purchase any real or personal property;
- (c) to hold and dispose of its real and personal property in accordance with this Act and the regulations;

**11. Fiscal year.**

**12. Audit.**

**13. Appropriations to meet operating expenditures.**

**14. General supervision by the Minister.**

**15. Agreements with other governments and government agencies.**

**16. Additional powers.**

- (d) to invest and deal with such of its funds as are not immediately required for expenditure;
- (e) to act as a trustee of moneys or other property acquired by the Foundation in trust for any purpose;
- (f) to draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, or other negotiable or transferable instruments;
- (g) to borrow money from time to time in accordance with the regulations for the purpose of meeting its obligations as they become due and to secure the repayment of any money so borrowed;
- (h) to do any acts incidental or conducive to carrying out its powers and duties under this or any other Act.

(2) The acceptance by the Authority of any gift, bequest or devise of real or personal property is subject to any conditions prescribed by the person making the gift or by the will or other instrument under which it is acquired.

**17.** (1) The Authority may, with the approval of the Minister, establish such committees as it considers necessary or desirable to act in an advisory, administrative or technical capacity in connection with any matter pertaining to the administration of this Act.

(2) The Authority may, with respect to any committee established under this section but subject to the approval of the Minister,

- (a) appoint or provide for the manner of appointment of its members,
- (b) prescribe the term of office of any member,
- (c) designate a chairman and other officers of the committee, and
- (d) authorize, fix and provide for the payment of remuneration, if any, and expenses to the members of the committee.

(3) The Authority may in respect of committees established under this section, make rules of procedure governing the calling of meetings, the conduct of business at the meetings, reporting and such other matters as may be required.

(4) A committee established pursuant to this section may exercise such powers and shall perform such duties and functions as the Authority may approve, confer or impose upon it.

**17.** Authority may establish advisory, administrative and technical committees.

**18. (1) The Authority shall annually, after the end of each fiscal year, prepare a general report summarizing its transactions and affairs during its preceding fiscal year and showing the revenues and expenditures during that period, an audited balance sheet of the Fund for that year and of its other financial transactions during that period, and such other information as the Lieutenant Governor in Council may require.**

**(2) When the report is prepared, the Minister shall lay a copy of it before the Legislative Assembly if it is then sitting and if not, within 15 days of the commencement of the next ensuing sitting.**

**13.** Annual report.

### **PART 3**

#### **THE OIL SANDS TECHNOLOGY AND RESEARCH FUND**

**19.** (1) There shall be a fund called the "Oil Sands Technology and Research Fund".

(2) The Fund shall be held by the Provincial Treasurer who shall maintain a separate accounting record of the Fund.

(3) The Provincial Treasurer shall from time to time upon the direction of the Lieutenant Governor in Council pay to the Fund from the General Revenue Fund such sums as may be required for the purposes of the Fund.

(4) The aggregate amount of payments made to the Fund under subsection (3) shall not exceed \$100,000,000.

(5) The following shall be paid into the Fund:

- (a) moneys advanced pursuant to subsection (3);
- (b) all income received by the Authority and derived from moneys or other property forming part of the Fund;
- (c) all moneys received pursuant to an agreement entered into under section 15, except as otherwise provided in the agreement;
- (d) all moneys received by the Authority pursuant to section 16, subsection (1), clause (a) or section 20 or pursuant to any agreement entered into under section 23.

(6) Property, other than money, acquired by the Authority pursuant to section 16, subsection (1), clause (a), shall form part of the Fund.

(7) The following shall be paid out of the Fund:

- (a) grants and loans made by the Authority pursuant to this Part;
- (b) moneys which the Government is required to pay by reason of its liability as guarantor under a guarantee given on its behalf under this Part;
- (c) all other expenditures made by the Authority pursuant to section 20 or pursuant to any agreement or arrangement entered into under section 23.

(8) Moneys received by the Authority pursuant to section 20, subsection (1), clause (h) and pursuant to agreements entered into under section 23 shall be paid into and maintained separately in a special account in the Fund.

(9) The Lieutenant Governor in Council may order that any surplus amount in the special account referred to in subsection (8) be transferred to the General Revenue Fund.



**19. Oil Sands Technology and Research Fund.**

- 20.** (1) Subject to the regulations, the authority
- (a) may make grants for research projects;
  - (b) may make loans to persons for research projects;
  - (c) may carry out research projects;
  - (d) may enter into an agreement with any person for the carrying out by that person of a research project;
  - (e) may enter into an agreement with any person for carrying out a research project jointly by the Authority and that person;
  - (f) may make agreements or arrangements for the use by the Authority of the facilities of any publicly-supported institution for demonstration or experimental purposes or for engaging the services of one or more persons in any such institution to conduct any demonstration or experiment or other research study;
  - (g) may fund in whole or in part research professorships or chairs for the furtherance of the purposes of this Act at any university in Alberta;
  - (h) may apply for or acquire by purchase, assignment, licence or otherwise any invention, discovery, addition to knowledge, patent, trade secret, design, utility model, certificate of authorship, trade mark, copyright, computer program or technical, commercial, financial or other information, or a right therein, and may sell, grant, assign, license or otherwise dispose of the same or an interest therein;
  - (i) may enter into agreements for the provision of services, equipment or supplies to be rendered or supplied in connection with research projects.
- (2) The cost of any research project in respect of which a loan or guarantee is made under this Part may, in the discretion of the Authority, include labour costs for the Authority's own employees and fees and other charges paid by the Authority for independent experts and for professional consultative services performed on a contract basis.
- (3) The Authority may, as a condition to making any grant or loan,
- (a) require that the person in whose favour the grant or loan is made agree to such supervision by the Authority of his research operations as the Authority may require, or
  - (b) require that the person in whose favour the grant or loan is made enter into an agreement under section 23, or
  - (c) prescribe any other conditions on which the grant or loan shall be made.

**20. Research projects and financial assistance for research projects.**

**21.** (1) The Provincial Treasurer may, upon the recommendation of the Authority, guarantee on behalf of the Government of Alberta the repayment, as to principal or interest or both, of a loan made to any person for the purposes of a research project.

(2) A guarantee of a loan pursuant to subsection (1)

(a) shall be in the form approved by the Provincial Treasurer, and

(b) may be executed on behalf of the Government by the Provincial Treasurer, the Deputy Provincial Treasurer or by any other person designated by an order of the Lieutenant Governor in Council,

and the signature on the guarantee by any person referred to in clause (b) is conclusive proof that the relevant provisions of this section have been complied with.

**21. Government guarantees of loans.**

## **PART 4**

### **GENERAL**

**22.** The Lieutenant Governor in Council may make regulations

- (a) prescribing the information that is to be included in or is to accompany any application for a grant, loan or guarantee under Part 3;
- (b) as to the records to be kept relating to studies, investigations, tests or research conducted by the Authority or financially supported under Part 3, the manner and form of those records, the persons by whom and the place at which they are to be kept and the length of time they are to be kept, and providing for their submission to the Authority;
- (c) as to the reports to be made relating to studies, investigations, tests or research conducted by the Authority or financially supported under Part 3, the persons required to make them, the person to whom they are to be made, the time of making them and their form, nature and extent;
- (d) requiring the submission to the Authority, the Research Council of Alberta or the Energy Resources Conservation Board of samples, information obtained by tests, analyses, surveys or logs, or any other data relating to the oil sands resulting from studies, investigations, tests or research conducted by the Authority or financially supported under Part 3;
- (e) as to the records, reports and information submitted to or acquired by the Authority under this Act which shall be confidential, and as to when and to whom the information contained therein may be made available;
- (f) establishing a schedule of fees
  - (i) pertaining to any application or any matter under this Act or the regulations,
  - (ii) for any map, report, document or other record of the Authority, and
  - (iii) for any other service provided by the Authority;
- (g) prescribing forms to be used under this Act or the regulations;
- (h) assigning additional duties and functions to the Authority not inconsistent with the purposes of this Act;
- (i) governing the operation of the Fund;

**22. Regulations.**

- (j) governing the making of grants or other payments and the granting of loans and giving of guarantees under Part 3;
- (k) governing the borrowing of money by the Authority;
- (l) providing, in respect of any provision of the regulations, that its contravention constitutes an offence;
- (m) prescribing penalties that may be imposed upon summary conviction of an offence provided for under clause (l);
- (n) respecting any procedure or other matter in connection with or incidental to the administration of this Act.

**23.** (1) The Authority may enter into an agreement with

- (a) any member or employee of the Authority, or
- (b) any person whose services are engaged by the Authority pursuant to section 8, clause (b), or
- (c) a party to any agreement entered into under section 20, subsection (1), clause (d) or (e) for the carrying out of a research project, or
- (d) a person in whose favour a grant or loan has been or is proposed to be made under Part 3 for a research project,

providing for the respective rights, obligations and liabilities of the Authority and the other party to the agreement with respect to the ownership, licensing, disclosure or use of any invention, discovery, addition to knowledge, patent, trade secret, design, utility model, certificate of authorship, trade mark, copyright, computer program or technical, commercial, financial or other information, made or acquired by the other party to the agreement at any time while he is a member or employee of the Authority or while conducting the research project, as the case may be.

(2) Where the Lieutenant Governor in Council prescribes a form of an agreement under this section, the agreement shall be in the form so prescribed.

**24.** *The Crown Agencies Employee Relations Act is amended as to the Schedule by adding at the end thereof the following:*

The Alberta Oil Sands Technology and Research Authority.

**25.** This Act comes into force on the day upon which it is assented to.



**23.** Agreements re inventions, patent rights, etc.

**24.** This section will amend chapter 79 of the Revised Statutes of Alberta 1970. The effect is to bring the Authority's employees under that Act.